



Tennessee State Board of Accountancy  
Department of Commerce and Insurance  
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MINUTES

TENNESSEE STATE BOARD OF ACCOUNTANCY TELEPHONIC MEETING

July 30, 2003

The meeting of the Tennessee State Board of Accountancy convened via telephonic conference in the Davy Crockett Tower, Nashville, Tennessee on July 30, 2003 at 1:00 pm.

Members present via telephone were David Curbo, Chairman; Mike Vaughn, Vice Chair; Kenneth Cozart, Dan Johnson, Doug Warren, Mark Layne and Charles Fraiser.

Present at the physical location of the Davy Crockett Tower was Darrel Tongate, Executive Director; Connaught O'Connor, Staff Counsel and Leona Holston, Administrative Assistant.

David Curbo called roll verifying a quorum was present and then called the meeting to order. Mr. Curbo asked everyone to refer to the proposed rules e-mailed to them from Darrel Tongate on July 29, 2003. (Copy attached as item #1) Mr. Curbo then turned the meeting over to Ms. O'Connor.

Connaught O'Connor informed the Board that there are two issues or Hot Topics to address. (see 17 page rules attached)

- 1) 0020-1-.04 Fees on page two of the rules. Ms. O'Connor informed the Board that she was informed by the Attorney General's office that the Administrative Procedures Act requires fees be specified in Rules. Therefore, the fees must remain in our rules and cannot be made as Policy.

The Board Members took part in a lengthy discussion of this matter. Dan Johnson motioned to submit the fee rule to the Attorney General's Office as a separate rule document and to go ahead and reduce the CPA renewal fee at this time. Micheal Vaughn seconded the motion. A discussion took place regarding the reduced fee for the CPA renewal. Micheal Vaughn motioned to amend the motion made by Dan Johnson to make the CPA renewal fee \$40 per year or \$80 biennially. Dan Johnson seconded the motion; it was voted on and approved.

- 2) 0020-1-.05 Requiring the Social Security Number on the application. Ms. O'Connor informed the Board of the Privacy Act 93-579 section 7 which prohibits requiring an individual's social security number on an application. You can ask for it voluntarily, but you cannot mandate it in your law.

NASBA will need to give the CPA applicant a file number that can go with the CPA from state to state. Darrel suggested removing the social security requirement from the law; however leave the social security question on the application. In addition, include a question asking the applicant if they have taken the exam in another state or if they have been denied taking the exam in another state. Finally, include a note on the application, which states that the giving of one's social security number is voluntary and that it will be used solely for tracking purposes. Micheal Vaughn motioned to delete the social security requirement out of the law as Darrel suggested. Charles Frasier seconded the motion; it was voted on and approved.

Proposed Rule changes (see attached draft of 7-15-03, 17 pages)

- 1) 0020-1-.01(b) add "consulting" in place of computer science.
- 2) 0020-1-.01(r) add "A resident manager may be the resident manager of multiple office locations. Each office location must have a CPA resident manager, with responsibility for that office, whether that manager is an owner in the firm or not."
- 3) 0020-1-.04(1) Delete this proposed rule change and submit separate rule as voted on earlier today.
- 4) 0020-1-.05(2) Delete this proposed rule change.
- 5) 0020-1-.05(5) Add (a) (b) and (c) as written on attached copy of proposed rule changes.
- 6) 0020-1-.06(3) (5) (8) (9) (10) (11) (12) and (13) Add as written in attached copy of proposed rule changes amending all 'six (6) month' and 'three (3) month' phrases to read as 'six-month' and 'three-month' and taking out the extra "that" on page 6 in the first paragraph. Micheal Vaughn motioned to approve the amended rule proposal. Charles Frasier seconded the motion; it was voted on and approved.
- 7) 0020-1-.07(1) (2) (3) (4) (5) (6) and (7) Added phrases as written in proposed rule changes attached pages 7, 8 and 9.
- 8) 0020-1-.08(4) and (7) Add phrases as written in proposed rule changes attached pages 9 and 10 amending paragraph (4) to delete the word 'original'. Micheal Vaughn motioned to accept the proposed rule as amended. Dan Johnson seconded the motion; it was voted on and approved.
- 9) 0020-1-.11 No change was proposed to the rule. Keep this rule as it was written.

David Curbo asked for a vote to accept all proposed rules in Chapter 0020-1. All votes were "yes" therefore all proposed rule changes above were approved.

- 10) 0020-1-.01(5) A lengthy discussion of this rule took place before Charles Frasier motioned to accepted the proposed rule amending it to remove the number numbers (2) and (4) and to change the last sentence on page 10 back to "certification to the Board." Mark Layne seconded the motion; it was voted on and approved.
- 11) 0020-2-.02 (1)(a) (b) and (2) A lengthy discussion took place, but the board members agreed to keep this rule as proposed in the attached rule changes.

David Curbo asked for a vote to accept all proposed rules in Chapter 0020-2. All votes were "yes" therefore all proposed rule changes above were approved.

- 12) 0020-3-.11(1)(c) Add phrase as written in proposed rule changes attached page 12.

David Curbo asked for a vote to accept all proposed rules in Chapter 0020-3. All votes were "yes" therefore all proposed rule changes above were approved.

- 13) 0020-5-.03(1)(d) and (3)(c) A discussion of this rule took place, but the board members agreed to keep this rule as proposed in the attached rule changes.

David Curbo asked for a vote to accept all proposed rules in Chapter 0020-5. All votes were "yes" therefore all proposed rule changes above were approved.

- 14) 0020-6-.04(1) (7) & (8) and .05(1)(b) Add phrases as written in proposed rule changes attached pages 15 and 16.

David Curbo asked for a vote to accept all proposed rules in Chapter 0020-6. All votes were "yes" therefore all proposed rule changes above were approved.

Ms. O'Connor informed the Board that Christy in Legal will review the rules before they go to the Attorney General's Office. September 15<sup>th</sup> is the earliest date for the actual rule making hearing.

Darrel informed the Board that we received a letter from the AICPA that a Tennessee CPA candidate received a 98, 98, 99 & 99 on the May 2003 CPA examination and earned the Elijah Watts Sells Silver Medal for these exam scores.

There being no further business to come before the Board, David Curbo adjourned the meeting.

Approved by: \_\_\_\_\_  
CHAIRMAN

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SECRETARY